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NOMINATION OF SYDNEY J. OLSON

HEARING

BEFORE THE

COMMITTEE ON FINANCE
UNITED STATES SENATE

ONE HUNDREDTH CONGRESS

FIRST SESSION

ON

NOMINATION OF

SYDNEY J. OLSON TO BE ASSISTANT SECRETARY OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES

FEBRUARY 4, 1988

Printed for the use of the Committee on Finance

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NOMINATION OF SYDNEY J. OLSON TO BE ASSISTANT SECRETARY OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES

THURSDAY, FEBRUARY 4, 1988

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, DC.

The hearing was convened, pursuant to notice, at 9:38 a.m. in room SD-215, Dirksen Senate Office Building, the Honorable Lloyd Bentsen (chairman) presiding.

Present: Senators Bentsen, Moynihan, and Packwood.

[The press release announcing the hearing, the opening statement of Senator Lloyd Bentsen, a letter from the U.S. Office of Government Ethics, a biographical sketch and an opening statement from Sydney J. Olson follows:]

COMMITTEE ON FINANCE
United States Senate
205 Dirksen Building
Washington, D.C. 20510

PRESS RELEASE #H-2

FOR IMMEDIATE RELEASE
January 27, 1988

FINANCE COMMITTEE TO HOLD HEARINGS ON WELFARE REFORM AND ON NOMINATION OF SYDNEY OLSON AS ASSISTANT SECRETARY OF HEALTH AND HUMAN SERVICES

Washington, D.C. -- Senator Lloyd Bentsen (D., Texas), Chairman, announced Tuesday that the Committee on Finance will hold a fourth hearing on welfare reform legislation and a hearing to review the nomination of Sydney J. Olson as Assistant Secretary of the Department of Health and Human Services.

Both hearings will be held on Thursday, February 4, 1988 in room SD-215 of the Dirksen Senate Office Building. The hearing on the Olson nomination will begin at 9:30 a.m., to be immediately followed by the welfare reform hearing in the same room at approximately 10:00 a.m.

NOMINATION OF SYDNEY J. OLSON
STATEMENT OF CHAIRMAN LLOYD BENTSEN

The subject of our first hearing this morning is the nomination of Sydney J. Olson, as an Assistant Secretary of the Department of Health and Human Services.

Ms. Olson comes as no stranger to the Committee on Finance. She spent some 5 years as a hard working, able, and always cheerful member of the Committee's professional staff. She was the staff person responsible under Chairman Dole and Chairman Packwood for the income security and social services programs. In her new job as head of the Office of Human Development Services, she will be responsible for carrying out many of the same programs on which she worked here. These include the title XX social services block grant, the adoption assistance and foster care programs, and the program of child welfare services.

We are always pleased when the President acknowledges the good judgment of the Finance Committee by nominating one of our own to be an officer of his administration.

Sydney, we congratulate you on the nomination. We welcome your appearance before us. And we look forward to hearing any remarks you may care to make.

United States
Office of Government Ethics
P O Box 14108
Washington, D C 20044

Honorable Lloyd Bentsen
Chairman
Committee on Finance
United States Senate
Washington, D.C. 20510

NOV 2

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Sydney J. Olson, who has been nominated by President Reagan for the position of Assistant Secretary for Human Development Services of the Department of Health and Human Services.

We have reviewed the report and have also obtained advice from the Department of Health and Human Services concerning any possible conflict in light of its functions and the nominee's proposed duties. Based thereon, we believe that Ms. Olson is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

Donald E. Campbell

Donald E. Campbell
Acting Director

Enclosure

SYDNEY J. OLSON
203 South West Street
Alexandria, Virginia 22314
Home: (703) 548-6379
Office: (202) 245-7246

SUMMARY OF EXPERIENCE:

Program, Policy and Management

-Administer major Federal social service program with $6 billion budget and 1,000 employees
-Develop policy for social security retirement and disability programs, welfare and unemployment insurance programs
-Analyze and evaluate legislative proposals, projecting effect and public response
-Investigate and analyze effectiveness of program administration
-Draft new Federal programs, and program modifications
-Prepare and review Federal program cost estimates

Writing and Editing

-Write speeches and testimony for presentation before Congress and Congressional Committees
-Prepare magazine articles on legislative subjects
-Draft speeches for various interest groups and clients
-Write and edit newletters
-Edit speeches and articles prepared by assistants

Public Relations

-Make speeches and presentations before interest groups
-Participate in panel discussions
-Represent agency, employer in dealing with corporate and government officials, and members of the press
-Aid constituents and clients in solving problems with the Federal government
-Plan and conduct briefings for Congressional staff members and clients

CHRONOLOGY OF EMPLOYMENT:

Dec. 1987 - Present	Deputy Assistant Secretary for Human Development Services, Dept. of Health and Human Services
1986 - 1987	Government Relations Representative Dow, Lohnes & Albertson
1981 - 1986	Majority Staff Member - Income Security U.S. Senate Finance Committee

1979 - 1981	Special Assistant - Ways and Means Committee Issues Representative John H. Rousselot (R-CA)
1977 - 1979	Minority Staff Assistant Committee on Post Office and Civil Service U.S. House of Representatives
1977	Assistant to Legislative Liaison Oregon Public Utilities Commission
1972 - 1976	Senior Legislative Assistant Representative John H. Rousselot (R-CA)
1970 - 1971	Assistant to Executive Director National Cotton Council of America

EDUCATION:

1969	B.S., Political Science and Journalism University of Oregon
1969 - 1970	Graduate Study - Public Administration University of Oregon

STATEMENT OF

SYDNEY OLSON

DEPUTY ASSISTANT SECRETARY

OFFICE OF HUMAN DEVELOPMENT SERVICES

BEFORE THE

COMMITTEE ON FINANCE

UNITED STATES SENATE

FEBRUARY 4, 1983

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, I AM HONORED TO APPEAR BEFORE YOU TODAY AS PRESIDENT REAGAN'S NOMINEE TO BE ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT SERVICES. I LOOK FORWARD, IF CONFIRMED, TO SERVING HIM AND SECRETARY BOWEN, AS WELL AS ALL THOSE WHOSE LIVES ARE TOUCHED BY PROGRAMS OF THE OFFICE OF HUMAN DEVELOPMENT SERVICES.

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, IT FEELS PRETTY STRANGE FOR ME TO BE SITTING ON THIS SIDE OF THE TABLE. AFTER SERVING AS A PROFESSIONAL STAFF MEMBER OF THIS COMMITTEE FROM 1981 THROUGH 1986, AND AFTER PREPARING FOR MY APPEARANCE HERE TODAY, I NOW TRULY APPRECIATE THE OBSERVATION THAT "WHERE YOU STAND OFTEN DEPENDS ON WHERE YOU SIT."

FROM WHERE I'M SITTING NOW, I HAVE EVERY CONFIDENCE THAT WE CAN WORK TOGETHER. AFTER ALL, WE HAVE COMMON GOALS:

- WE SHARE A BELIEF IN THE STRONG FAMILY UNIT AND POLICIES WHICH HELP KEEP FAMILIES TOGETHER;
- WE ARE SEEKING TO PREVENT AND REDUCE INAPPROPRIATE INSTITUTIONAL CARE;
- WE ARE COMMITTED TO PREVENTING THE ABUSE, NEGLECT, OR EXPLOITATION OF PERSONS OF ALL AGES; AND
- WE AIM TO INCREASE AND PROMOTE SELF-SUFFICIENCY AND INDEPENDENCE IN THE COMMUNITY.

OUR COMMON GOALS, IN TURN, ARE STRONGLY REINFORCED BY OUR ONGOING WORKING RELATIONSHIPS.

SOCIAL SECURITY PROGRAMS THAT PROVIDE RETIREMENT INCOME FOR OLDER WORKERS, INCOME MAINTENANCE FOR DISABLED WORKERS, AN INCOME FLOOR FOR POOR PERSONS, AND A WIDE RANGE OF FAMILY SERVICES HAVE LONG BEEN THE FOCUS OF MY CAREER. I BELIEVE THIS BACKGROUND WILL SERVE ME WELL IN ADMINISTERING PROGRAMS FOR CHILDREN, YOUTH AND FAMILIES, FOR NATIVE AMERICANS, AND FOR THOSE WITH DEVELOPMENTAL DISABILITIES.

I AM PARTICULARLY PLEASED THAT THE POSITION FOR WHICH I HAVE BEEN NOMINATED IS RESPONSIBLE FOR CHILD WELFARE SERVICES AND THE FOSTER CARE AND ADOPTION ASSISTANCE PROGRAM. ONE OF MY MOST REWARDING ASSIGNMENTS ON CAPITOL HILL WAS TO WORK ON THE ADOPTION ASSISTANCE AND CHILD WELFARE AMENDMENTS OF 1980. THESE REFORMS AND THEIR EMPHASIS ON PREVENTION, REUNIFICATION, AND INDIVIDUALIZED ATTENTION TO CHILDREN ARE IMPORTANT TO ME. THUS, I AM EXCITED ABOUT THIS OPPORTUNITY TO FOLLOW-THROUGH IN THE EXECUTIVE BRANCH WITH THE FULL IMPLEMENTATION OF THE REFORMS.

GOVERNMENT SHOULD HELP PEOPLE ACHIEVE THE GOALS THEY HAVE SET FOR THEMSELVES: THEY WANT TO BE PRODUCTIVE TO THE EXTENT THEIR CAPABILITIES PERMIT; THEY WANT TO LIVE IN THE COMMUNITY, AND NOT APART; THEY WANT TO BE SEEN AS CAPABLE AND NOT INCAPABLE. IN SHORT, WHAT PEOPLE WANT IS AN OPPORTUNITY TO LIVE LIVES OF DIGNITY, SELF-WORTH AND INDEPENDENCE.

AND FOR THOSE WHO CANNOT ACHIEVE THESE GOALS, OUR PROGRAMS AND SERVICES SHOULD REFLECT THE GENEROSITY, CONCERN AND COMPASSION THAT AMERICANS HAVE TRADITIONALLY EXTENDED TO THEIR NEIGHBORS IN NEED. GOVERNMENT CANNOT SUCCEED ALONE. IT IS MY INTENTION, IF CONFIRMED, TO MAKE EVERY EFFORT TO BRING TOGETHER THE PUBLIC AND PRIVATE SECTORS FOR THE BENEFIT OF EVERY AMERICAN FAMILY WHOSE LIVES AND WELL-BEING ARE AFFECTED BY OUR PROGRAMS. WITHIN GOVERNMENT, A COMPREHENSIVE APPROACH TO ADDRESSING THE NEEDS OF CITIZENS SHOULD BE OUR PRIMARY GOAL. I WOULD WORK TOWARD THE IMPLEMENTATION OF COOPERATIVE ACTIVITIES AND THE JOINT FUNDING OF RESEARCH AND DEMONSTRATION PROJECTS WITH THE DEPARTMENTS OF LABOR AND EDUCATION, THE SOCIAL SECURITY ADMINISTRATION, AND THE FAMILY SUPPORT ADMINISTRATION.

FOR THE PAST TWO MONTHS, I HAVE SERVED AS DEPUTY ASSISTANT SECRETARY OF HUMAN DEVELOPMENT SERVICES. I AM FIRMLY COMMITTED TO ASSURING THAT THIS OFFICE IS WELL MANAGED, THAT WE IMPROVE THE EFFECTIVENESS AND EFFICIENCY OF HUMAN SERVICES PROGRAMS AT THE LOCAL LEVEL, AND THAT OUR STEWARDSHIP OF FEDERAL FUNDS IS FOCUSED ON HELPING THOSE WHO ARE MOST IN NEED.

I AM WELL AWARE OF THE VALUE OF A GOOD WORKING RELATIONSHIP BETWEEN THE OFFICE OF HUMAN DEVELOPMENT SERVICES AND THE CONGRESS--AND EACH OF THE COMMITTEES WITH JURISDICTION. YOU MAY BE ASSURED THAT I WILL DO MY BEST TO CARRY OUT THE MANDATES OF CONGRESS. I WILL ALWAYS BE READY TO WORK WITH YOU TO IMPROVE SERVICES TO THE MOST VULNERABLE MEMBERS OF SOCIETY.

MR. CHAIRMAN, THANK YOU FOR THE OPPORTUNITY TO APPEAR BEFORE THIS COMMITTEE. I WILL BE GLAD TO ANSWER ANY QUESTIONS YOU MAY HAVE.

The CHAIRMAN. The committee will come to order. Ms. Olson, would you come forward, please?

The subject of our hearing this morning is the nomination of Ms. Sydney J. Olson as Assistant Secretary of the Department of Health and Human Services. Now, Ms. Olson, of course, comes as no stranger to this committee. She spent some 5 years as a hard-working, able staff member. She was a staff person responsible, under Chairman Dole and Chairman Packwood, for the Income and Social Security Services Program.

Her new job in the Office of Human Development Services, she will be responsible for carrying out many of the same programs for which she worked on here. Now, those include Social Services Block Grant, the Adoption of Assistance and Foster Care Programs, and the Program of Child Welfare Services.

Obviously, we are always pleased when the President acknowledges the good choices of this committee, someone who has been a part of this committee. We congratulate you on the nomination, and we welcome your appearance before us.

We are going to be interested in hearing any remarks that you might have. I will now defer to my colleague, Senator Moynihan.

Senator MOYNIHAN. Mr. Chairman, I join you in welcoming back Ms. Olson.

The CHAIRMAN. I think there is kind of a club relationship here. I asked for some tough questions of Ms. Olson, and staff didn't have any questions. [Laughter.]

We will try to rectify that. What we are trying to do is get some long-term legislation. We are really trying to do something for foster care. I am particularly interested in it, and so is Senator Moynihan.

Now, we want to place more emphasis on reuniting families with children and placing children in permanent surroundings for adoption. I know that some of the statistical measures in this area are very weak, but would you give us your views on how much such success that legislation has attained and what you think it has yet to achieve?

STATEMENT OF SYDNEY J. OLSON TO BE ASSISTANT SECRETARY OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES

Ms. OLSON. Senator, thank you. I am pleased to be here, Senator Packwood and Senator Moynihan. It is nice to be back at the Finance Committee and see a lot of familiar and, hopefully, friendly faces.

The Secretary is very interested in the Foster Care and Adoption Assistance Program, as is the President; and I think they will continue this support throughout the rest of the term. The 1980 legislation, which many of you worked on, has been successful.

To date, the number of children in foster care has been reduced by about half. In 1977 about 500,000 children were in foster care. In 1985, the most recent year for which we have good data, the number is about 275,000 children in foster care.

Equally important, I think, is that the length of stay in foster care has decreased. In 1980, the median stay was about 27 months; in 1985, it was reduced to 18 months.

More children are being reunited with their families. Approximately three of four children are returned to their families in 2 years or released from foster care to another family.

So, the program has been successful. There is much left to be done. The Administration is understandably concerned about the rise in administrative costs. There is also concern that we should increase emphasis on the Adoption Assistance Program. That program has a record of success.

Assistant Secretary Hardy put a lot of emphasis on the Adoption Assistance Program when she served in this position. I intend to do the same with regard to special needs adoptions.

The CHAIRMAN. Let's expand it beyond that. I feel very strongly that this ought to be the year of the child for this committee. I think we ought to concentrate on doing what we can to see, first, that we have children to the extent possible born with sound minds and sound bodies and that we try to help them get off to a good start, with parental care and child care, to the extent that this committee can have a role in that.

I know that Senator Moynihan and Senator Packwood share that desire very strongly. Senator Moynihan has done a lot of work on the welfare bill, which we will be having our fourth hearing on following this hearing on your confirmation.

I would like for you to expand on it as to what you think we can do in furthering some of those objectives for children.

Ms. OLSON. With regard to HDS programs, we have jurisdiction over the Head Start Program, which I know this committee is not involved with, but which has been a successful program. Congress recently increased the appropriation for that program by about $75 million, and now we are spending about $1.2 billion a year. We are discussing within the Department how best to use that increase in funding; whether to increase the number of children in Head Start, or the hours they spend there, or the salaries for the Head Start workers.

That is just one program that we are looking at to help children get a good beginning.

Secretary Bowen, in conjunction with Secretary Brock, instituted an initiative at the departmental level called Youth 2000, which we are very interested in continuing. That is a partnership with the private sector to try to eliminate or reduce drug dependency among teenagers and young people, reduce the dropout rate, and also help with teenage pregnancy problems. We are hoping to expand Youth 2000 this year as well.

The Runaway and Homeless Youth Programs operate within HDS. We are watching to make sure that runaway assistance network and the youth centers are adequately staffed and are effective.

Otherwise, within the Department, we will be looking at welfare reform. I know that Senator Moynihan met with the Secretary yesterday at some length on that.

The CHAIRMAN. Following our early bird rule, Senator Moynihan, do you have any questions?

Senator MOYNIHAN. I don't, Mr. Chairman, as such, but I had a good chat with Ms. Olson before the hearing. Could I ask you to just help us a bit? The number of children in foster care has dropped in half in the last 8 years or so.

To what extent does that reflect success of the program? It can reflect a number of things; it can reflect just demography, of

course. How do you read the change? Do you read it as the result of effort to bring it about, that it was successful, or how?

Ms. OLSON. I am sure it is a mixture, Senator. We would like to say that it was due to the success of the program totally, but I imagine there are a number of factors that have played a part in it. Child Welfare Services and the Foster Care Services have been helpful in finding new homes for children who can't be reunited with their families. The population is aging somewhat, as you noted; and I think that the Adoption Assistance Program, is also, a factor.

Senator MOYNIHAN. It would be useful if from time to time we heard from your office. Don't ever hesitate to just come around and talk to us. Our subcommittee is always available to you.

The Adoption Assistance Program was begun under President Carter. We took the first national effort, and we would like to hear from you. Could I ask you if you would go back and think and sit with some of your colleagues and ask: Are we succeeding? And if so, good. Let's make sure we know why and ring a bell.

Ms. OLSON. I will certainly be glad to come and talk with you at any time.

We will certainly do that, Senator.

Senator MOYNIHAN. Good. Thank you very much, and congratulations.

Ms. OLSON. Thank you.

The CHAIRMAN. Senator Packwood?

Senator PACKWOOD. Mr. Chairman, I have no questions to ask Sydney. I obviously know her well, not only in the years she worked here, but she is from Oregon. Her most amazing quality is that she was able, the first time through, to explain to me what the Social Security "notch" was and how it worked. [Laughter.]

Senator PACKWOOD. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much. If there are no further questions, thank you very much.

Ms. OLSON. Thank you.

The CHAIRMAN. It is nice to have you.

Ms. OLSON. Thank you.

The CHAIRMAN. We will stand in recess until 10 a.m., at which time we will have the scheduled hearing for welfare.

[Whereupon, at 9:47 a.m., the hearing was adjourned.]

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